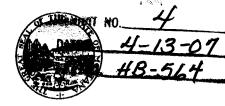


Montana Department of Revenue



Brian Schweitzer Governor

Memorandum

To:

Rep. Tom McGillvray 4⊋

From:

Dan Dodds, Tax Policy Analyst

Date:

April 10, 2007

Subject:

HB 564

The following table shows the total reduction in income tax revenue from HB564, as amended in the House, and the reduction in revenue from indexing the cap on the deduction for federal income taxes.

HB 564 - Income Tax Reduction (\$ million)

			Index Cap on Deduction for
		Cap on Deduction for	
<u>Fiscal</u>	<u>Year</u>	Federal Taxes	Federal Taxes
200	38	\$40.616	\$0.536
200	09	\$28.766	\$1.438
20	10	\$30.597	\$2.252
20 ⁻	11	\$32.621	\$3.310

H:\Legislative\07 Session\Information Requests\Responses\McGillvray HB 564 CPlonly.doc